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LING YUI HOLDINGS LIMITED
凌銳控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 784)

ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 MARCH 2022

FINANCIAL HIGHLIGHTS

- Revenue increased by approximately 42.9% from approximately HK\$241.0 million for the year ended 31 March 2021 to approximately HK\$344.3 million for the year ended 31 March 2022.
- Gross profit for the year ended 31 March 2022 was approximately HK\$24.8 million as compared with approximately HK\$19.0 million for the year ended 31 March 2021.
- Gross profit margin decreased from approximately 7.9% for the year ended 31 March 2021 to approximately 7.2% for the year ended 31 March 2022.
- Profit attributable to the owners of the Company was approximately HK\$2.2 million for the year ended 31 March 2022, as compared with a loss attributable to the owners of the Company of approximately HK\$0.6 million for the year ended 31 March 2021.
- Basic earnings per share was approximately HK0.28 cents for the year ended 31 March 2022, as compared with the basic loss per share of approximately HK0.07 cents for the year ended 31 March 2021.
- The Board does not recommend the payment of any final dividend for the year ended 31 March 2022.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*For the year ended 31 March 2022*

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Revenue	3	344,286	240,989
Direct costs		<u>(319,500)</u>	<u>(221,950)</u>
Gross profit		24,786	19,039
Other income	4	2,642	9,138
Other (losses) gains	4	(245)	126
Impairment loss allowance of trade receivables and contract assets under expected credit loss model		(1,300)	(1,332)
Administrative expenses		(21,438)	(24,643)
Finance costs		<u>(1,368)</u>	<u>(2,217)</u>
Profit before taxation	5	3,077	111
Income tax expense	6	<u>(837)</u>	<u>(661)</u>
Profit (Loss) and total comprehensive income (expense) for the year		<u>2,240</u>	<u>(550)</u>
Earnings (Loss) per share			
Basic (HK cents)	8	<u>0.28</u>	<u>(0.07)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2022

	<i>NOTES</i>	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Non-current assets			
Property and equipment		46,905	54,055
Deposits and payment for life insurance policy		4,238	4,275
		51,143	58,330
Current assets			
Trade receivables	9	53,873	32,683
Deposits, prepayments and other receivables		4,654	3,944
Tax recoverable		–	89
Contract assets	10	101,260	102,109
Bank balances		10,133	10,658
		169,920	149,483
Current liabilities			
Trade payables	11	57,461	37,633
Other payables and accrued charges		26,350	19,887
Lease liabilities		612	2,245
Contract liabilities	10	2,503	253
Bank borrowings		23,792	38,216
Tax payable		6	–
		110,724	98,234
Net current assets		59,196	51,249
Total assets less current liabilities		110,339	109,579
Non-current liabilities			
Lease liabilities		–	612
Bank borrowings		593	2,184
Deferred tax liabilities		2,914	2,191
		3,507	4,987
Net assets		106,832	104,592
Capital and reserves			
Share capital	12	8,000	8,000
Reserves		98,832	96,592
Total equity		106,832	104,592

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2022

1. GENERAL

Ling Yui Holdings Limited (the “**Company**”) was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Act of Cayman Islands on 24 January 2017 and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 December 2017. The registered office of the Company is located at Windward 3 , Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong of the Company is located at Units 1702-03, Stelux House, 698 Prince Edward Road East, San Po Kong, Kowloon, Hong Kong. The immediate and ultimate holding company of the Company is Simple Joy Investments Limited, which is incorporated in the British Virgin Islands (“**BVI**”) with limited liability and is wholly owned by Mr. Lee Kim Ming (“**Mr. Lee**”) who is also the executive director of the Company.

The Company is an investment holding company. The Company and its subsidiaries (collectively referred to as the “**Group**”) are principally engaged in provision of foundation engineering services in Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Group.

2. APPLICATION OF AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021
Amendments to HKFRS 9, HKAS 39 and HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ¹
Amendments to HKFRS 3	Reference to the Conceptual Framework ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ¹
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to HKAS 8	Definition of Accounting Estimates ¹
Amendments to HKAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction ¹
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ²
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ²
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 ²

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after 1 January 2022.

³ Effective for annual periods beginning on or after a date to be determined.

Except for the amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

Amendments to HKAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The amendments specify that, when an entity assesses whether a contract is onerous in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, the unavoidable costs under the contract should reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it. Costs of fulfilling the contract include incremental costs and an allocation of other costs that relate directly to fulfilling contracts (for example, an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are applicable to contracts for which the Group has not yet fulfilled all its obligations as at the date of initial application.

The application of the amendments is not expected to have significant impact on the financial position and performance of the Group.

3. REVENUE AND SEGMENT INFORMATION

Revenue represents the net amounts received and receivable from the foundation engineering services provided by the Group to customers. Such services are recognised as a performance obligation satisfied over time as the Group creates or enhances an asset that the customer controls. Revenue is recognised for these foundation engineering services based on the progress and outcome of the foundation engineering services contracts using input method.

Timing of revenue recognition and category of revenue

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Recognised over time:		
Foundation engineering services	<u>344,286</u>	<u>240,989</u>

4. OTHER INCOME AND OTHER (LOSSES) GAINS

Other income

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Government grant (<i>Note</i>)	–	4,758
Interest income	129	134
Income from sale of waste material	2,239	1,527
Machine rental income	–	839
Sundry income	114	1,709
Others	<u>160</u>	<u>171</u>
	<u>2,642</u>	<u>9,138</u>

Other (losses) gains

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
(Loss) Gain on disposal of property and equipment	<u>(245)</u>	<u>126</u>

Note: The Group recognised government grants in respect of the Employment Support Scheme and Employment Support Scheme for the Construction Sector under Anti-epidemic Fund of the Hong Kong SAR Government (the “**Hong Kong Government**”) due to the COVID-19 pandemic.

5. PROFIT BEFORE TAXATION

2022 2021
HK\$'000 **HK\$'000**

Profit before taxation has been arrived at after charging:

Auditor's remuneration	880	880
Depreciation of property and equipment	12,048	11,388
Directors' remuneration	3,074	3,092
Other staff costs		
Salaries and other benefits	61,232	58,467
Retirement benefits scheme contributions	1,888	1,659
Total staff costs	66,194	63,218

6. INCOME TAX EXPENSE

2022 2021
HK\$'000 **HK\$'000**

Hong Kong Profits Tax:		
Current tax	21	21
Underprovision in prior years	93	–
Deferred tax	723	640
	837	661

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

7. DIVIDENDS

No dividend was paid or declared during the years ended 31 March 2022 and 2021, nor has any dividend been proposed since the end of the reporting period.

8. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to owners of the Company is based on the following data:

Earnings (Loss)

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Earnings (Loss) for the year for the purpose of calculating basic earnings (loss) per share attributable to owners of the Company	<u>2,240</u>	<u>(550)</u>

Number of shares

	2022 <i>'000</i>	2021 <i>'000</i>
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	<u>800,000</u>	<u>800,000</u>

No diluted earnings (loss) per share is presented as there was no potential ordinary share outstanding for both years.

9. TRADE RECEIVABLES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Trade receivables	56,525	34,444
Less: impairment loss allowance	<u>(2,652)</u>	<u>(1,761)</u>
	<u>53,873</u>	<u>32,683</u>

The Group grants credit terms of 7 to 30 days to its customers from the date of invoices on progress payments of contract works. An ageing analysis of the trade receivables (net of impairment loss allowance) presented based on the invoice date at the end of the reporting period.

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	38,457	10,347
31 – 60 days	10,651	8,974
61 – 90 days	–	7,340
91 – 365 days	–	59
Over 365 days	<u>4,765</u>	<u>5,963</u>
	<u>53,873</u>	<u>32,683</u>

10. CONTRACT ASSETS AND CONTRACT LIABILITIES

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Contract assets		
Foundation engineering services	103,594	104,034
Less: Impairment loss allowance	<u>(2,334)</u>	<u>(1,925)</u>
	<u>101,260</u>	<u>102,109</u>
Contract liabilities		
Foundation engineering services	<u>2,503</u>	<u>253</u>

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditional on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional.

11. TRADE PAYABLES

The credit period is 0 to 60 days. The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
0 – 30 days	20,946	20,215
31 – 60 days	19,783	8,163
Over 60 days	<u>16,732</u>	<u>9,255</u>
	<u>57,461</u>	<u>37,633</u>

12. SHARE CAPITAL

	Number of shares	Amount <i>HK\$'000</i>
Ordinary shares of HK\$0.01 each:		
Authorised:		
At 1 April 2020, 31 March 2021 and 2022	<u>2,000,000,000</u>	<u>20,000</u>
Issued and fully paid:		
At 1 April 2020, 31 March 2021 and 2022	<u>800,000,000</u>	<u>8,000</u>

13. CONTINGENT LIABILITIES

During the year ended 31 March 2019, Ming Lee Foundation, an indirect wholly-owned subsidiary of the Company, received two Writs of Summons from W.M. Contractor Limited (“**W.M. Contractor**”), claiming against Ming Lee Foundation for the overpayment made by W.M. Contractor of certain construction projects in the amount of approximately HK\$441,000 (the “**1st Action**”) and HK\$2,001,000 (the “**2nd Action**”) respectively. W.M. Contractor subsequently filed an amended statement of claim revising the claim for the amount of overpayment made by W.M. Contractor in the 1st Action to approximately HK\$4,588,000.

During the year ended 31 March 2020, Ming Lee Foundation filed a defence to and counterclaim against W.M. Construction Limited (“**W.M. Construction**”) and W.M. Contractor in the amount of approximately HK\$4,764,000 and HK\$5,536,000 for the outstanding payment for 6 completed construction projects. The parties to the 1st Action and the 2nd Action consented to and an order was made by the court that the proceedings under the 1st Action and the 2nd Action be consolidated and carried on as an action (the “**Consolidated Action**”).

The Consolidated Action is at the case management stage. The first case management conference was held on 26 May 2022 and there will be a second case management conference to be heard after 26 October 2022. The directors of the Company have fully considered factors including the nature of claims, costs of litigation and potential impact on the consolidated financial statements and engaged an external lawyer to consider and assess the litigation strategies and defenses, as well as its impact on the Group. The directors of the Company are of the opinion that the Group has valid grounds to deny the allegations made by the plaintiff and to counterclaim against W.M. Contractor and W.M. Construction. Accordingly, no provision is required to be made in the consolidated financial statements.

The Company will make further disclosure as and when necessary or appropriate based on the progress of the litigation.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a Hong Kong-based main contractor principally provides foundation works including excavation and lateral support works, pile cap works and pile construction, site formation works and other ancillary services such as road and drainage works for foundation projects in the private sector.

For the year ended 31 March 2022, the Group recorded revenue of approximately HK\$344.3 million as compared to revenue of HK\$241.0 million for the year ended 31 March 2021. The directors of the Company (the “**Directors**”) are of the view that the increase in revenue was due to recovery of economic downturn in Hong Kong brought upon by the COVID-19 pandemic and the Hong Kong Government vigorously promotes infrastructure development.

OUTLOOK

The Directors are of the view that the general outlook of the industry and the business environment in which the Group operates will remain challenging. The outbreak of the COVID-19 throughout the year has created economic uncertainty to Hong Kong and imposed adverse impacts on the construction industry, including supply chain disruptions, workforce shortages due to illness and preventive or compulsory quarantines, and work stoppages due to anti-epidemic measures imposed by the Hong Kong Government. Looking ahead, the Group will adhere to prudent financial management in project selection and cost control. The Group will continue to obtain additional qualifications and strengthen its financial resources to position itself to tender for suitable projects in the private sector as a main contractor, and invest in manpower and information system to enhance its operational capacity and efficiency.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that there are certain risks and uncertainties involved in the operations, some of which are beyond the Group’s control. The Directors believe the more significant risks relating to the business are as follows:

- A significant portion of the Group’s revenue was generated from contracts which were not recurrent in nature and were awarded by a few customers, and any decrease in the number of projects with the Group’s major customers would adversely affect the Group’s operations and financial results;
- As the Group from time to time engages subcontractors to perform certain works, the Group may bear responsibilities for any non-performance, delayed performance, sub-standard performance or non-compliance of the Group’s subcontractors; and
- The Group determines the price of our quotation based on the estimated time and costs to be involved in a project and the actual time and costs incurred may deviate from our estimate due to unexpected circumstances.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 March 2022, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH CUSTOMERS, SUPPLIERS, SUBCONTRACTORS AND EMPLOYEES

The Group maintains good relationship with its employees and certain policies have been implemented to ensure that its employees are provided with competitive remuneration, good welfare benefits and continuous professional training. The Group also maintains good relationships with its customers, suppliers and subcontractors, without whom success in the Group's production and operation would be at risk.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately 42.9% from approximately HK\$241.0 million for the year ended 31 March 2021 to approximately HK\$344.3 million for the year ended 31 March 2022. Such increase was mainly due to recovery of economic environment for construction industry, construction works restarted and resumed to normal, such as those projects in Kai Tak. Also, some of the contracts that we have been awarded last year have been performed smoothly. Therefore, the revenue of the Group increased significantly.

Direct Costs

The Group's direct costs for the year ended 31 March 2022 was approximately HK\$319.5 million, representing an increase of approximately 44.0% from approximately HK\$222.0 million for the year ended 31 March 2021. Such increase was in line with the increase in revenue for the same period.

Gross Profit and Gross Profit Margin

The Group's gross profit for the year ended 31 March 2022 was approximately HK\$24.8 million, as compared with approximately HK\$19.0 million for the year ended 31 March 2021. The Group's gross profit margin for the year ended 31 March 2022 was approximately 7.2% representing a decrease of approximately 0.7 percentage points as compared to approximately 7.9% for the year ended 31 March 2021. Such decrease was primarily due to (i) the construction contract awarded during COVID-19 has lower profit margin, and to maintain our sustainability and cover overhead cost, we are willing to tender the project with lower price; and (ii) there was a loss incurred in Ko Chiu Road Project as we incurred additional staff cost to complete the complex works.

Other income

Other income mainly comprised of government grants, bank interest income, income from sale of waste material, machine rental income and other sundry income. Other income decreased from approximately HK\$9.1 million for the year ended 31 March 2021 to approximately HK\$2.6 million for the year ended 31 March 2022. Such decrease was primarily resulted from non-recurring payment of the Hong Kong Government grants received by the Group under the “Anti-epidemic Fund” and the “Employment Support Scheme” due to the outbreak of the COVID-19 of approximately HK\$4.8 million in last year.

Administrative Expenses

The Group’s administrative expenses for the year ended 31 March 2022 were approximately HK\$21.4 million, representing a decrease of approximately 13.0% from approximately HK\$24.6 million for the year ended 31 March 2021, primarily as a result of a decrease in staff cost because no bonus was paid to the staff as resulted from the COVID-19 pandemic.

Profit (Loss) and Total Comprehensive Income (Expense) attributable to Owners of the Company for the year

As a result of the foregoing, for the year ended 31 March 2022, the Group recorded a net profit of approximately HK\$2.2 million as compared to a net loss of approximately HK\$0.6 million for the same period in 2021.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

There has been no change in the capital structure of the Group during the year ended 31 March 2022. The capital of the Group only comprises of ordinary shares.

The Group finances its liquidity and capital requirements primarily through cash generated from operations, bank borrowings and equity contribution from shareholders.

As at 31 March 2022, the Group had cash and bank balances of approximately HK\$10.1 million (2021: approximately HK\$10.7 million).

As at 31 March 2022, the Group’s total equity attributable to owners of the Company amounted to approximately HK\$106.8 million (2021: approximately HK\$104.6 million). As of the same date, the Group’s total debt, amounted to approximately HK\$114.2 million (2021: approximately HK\$103.2 million).

BORROWINGS AND GEARING RATIO

As at 31 March 2022, the Group had borrowings of approximately HK\$24.4 million which was denominated in Hong Kong dollars (2021: approximately HK\$40.4 million). The Group's bank borrowings were primarily used in financing the working capital requirement of its operations.

As at 31 March 2022, the gearing ratio of the Group, calculated as the total debt divided by the total equity, was approximately 106.9% (2021: approximately 98.7%).

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this announcement, there was no significant investment, material acquisition and disposal of subsidiaries and associated companies by the Company during the year ended 31 March 2022. There is no other plan or material investments or capital assets as at 31 March 2022.

CHARGE ON GROUP'S ASSETS

As at 31 March 2022, the Group pledged its machineries and construction equipment with an aggregate net book value of approximately HK\$14.3 million (31 March 2021: approximately HK\$29.0 million) and motor vehicles with an aggregate net book value of approximately HK\$0.6 million (31 March 2021: approximately HK\$0.7 million) to the banks and a financial institution to secure the short-term bank loans and other general banking facilities granted to the Group.

As at 31 March 2022, payment for life insurance policy of approximately HK\$3.9 million was pledged to a bank to secure the banking facilities granted to the Group (2021: approximately HK\$3.9 million).

FOREIGN EXCHANGE EXPOSURE

All of the revenue-generating operations and borrowings of the Group were denominated in Hong Kong dollars which is the presentation currency of the Group. As such, the Directors are of the view that the Group did not have significant exposure to foreign exchange risk. The Group currently does not have a foreign currency hedging policy.

TREASURY POLICIES

The Directors will continue to follow a prudent policy in managing the Group's cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of future growth opportunities.

CONTINGENT LIABILITIES

As at 31 March 2022, the Group's material contingent liabilities was set out in note 13 of this announcement.

COMMITMENTS

As at 31 March 2022, the Group had no material capital commitments in respect of acquisition of property and equipment (2021: Nil).

The Group is the lessee in respect of office premises, quarters and warehouses under operating leases. The Group had no operating lease commitments due to the adoption of HKFRS 16 Leases.

SEGMENT INFORMATION

The Group principally operates in one business segment, namely the provision of foundation engineering services.

INFORMATION ON EMPLOYEES

As at 31 March 2022, the Group had 172 full-time employees working in Hong Kong (2021: 119). Employees are remunerated based on their qualifications, position and performance. The remuneration offered to employees generally includes salaries, allowances and discretionary bonus. Various types of trainings were provided to the employees. The total staff cost (including Director's emoluments and mandatory provident funds contributions) for the year ended 31 March 2022 amounted to approximately HK\$66.2 million (2021: approximately HK63.2 million).

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 March 2022 (2021: Nil).

CORPORATE GOVERNANCE PRACTICE

The Company and the Board are devoted to achieve and maintain high standards of corporate governance, as the Board believes that good and effective corporate governance practices are fundamental to obtain and maintain the trust of the shareholders of the Company and other stakeholders, and are essential for encouraging accountability and transparency so as to safeguard interest and sustain the success of the Group and to create long-term value for the shareholders of the Company.

The Company has adopted the principles and code provisions set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company has fully complied with the CG Code during the year ended 31 March 2022.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in this announcement, the Board is not aware of any significant events since 31 March 2022 and up to the date of this announcement.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by directors. Having made specific enquiry, all Directors have fully complied with the required standards set out in the Model Code during the year ended to 31 March 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2022.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) was established on 4 December 2017. The chairman of the Audit Committee is Mr. Ho Chun Chung Patrick, an independent non-executive Director, and other members included Mr. Chong Kam Fung and Mr. Shi Wai Lim William, each an independent non-executive Director. The written terms of reference of the Audit Committee are posted on the Stock Exchange’s website and on the Company’s website.

The Company has complied with Rule 3.21 of the Listing Rules in that at least one of the members of the Audit Committee (which must comprise a minimum of three members and must be chaired by an independent non-executive Director) is an independent non-executive Director who possesses appropriate professional qualifications or accounting related financial management expertise.

The primary duties of the Audit Committee are mainly to review the financial information and reporting process, internal control procedures and risk management system, audit plan and relationship with external auditor and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group’s consolidated financial statements for the year ended 31 March 2022 have been reviewed by the Audit Committee. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 March 2022 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made.

SCOPE OF WORK OF HLB HODGSON IMPEY CHENG LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLB Hodgson Impey Cheng Limited in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by HLB Hodgson Impey Cheng Limited on the preliminary announcement.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR

The Audit Committee of the Company, which comprises three independent non-executive Directors of the Company, had reviewed the audited consolidated financial statements for the year in conjunction with the Group's auditor, HLB Hodgson Impey Cheng Limited. Based on this review and discussion with the management of the Company, the Audit Committee was satisfied that the audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly presented the Group's financial position as at 31 March 2022 and the annual results for the year ended 31 March 2022.

By order of the Board
Ling Yui Holdings Limited
Lee Kim Ming
Chairman and Executive Director

Hong Kong, 27 June 2022

As at the date of this announcement, the Board comprises Mr. Lee Kim Ming and Mr. Chan Siu Hung as executive Directors; Mr. Chong Kam Fung, Mr. Ho Chun Chung Patrick and Mr. Shi Wai Lim William as independent non-executive Directors.